



DATE: March 21, 2019

TO: Government Administration and Elections Committee

FROM: Dustin Brighton
Representative of CompTIA

RE: IT Industry Comments on SB 1108

On behalf of CompTIA and the nearly 2000 technology companies we represent, I appreciate the opportunity to share our perspective on SB 1108, legislation that is modeled after the California Consumer Privacy Act (CCPA) and would establish requirements for businesses that collect consumers' personally identifiable information (PII).

Our member companies have long-understood the importance of protecting their users' privacy and securing the data they collect and store. Consumer trust equates to good business. But we also understand that despite the industry's best efforts, new privacy and data security laws are being considered here in the U.S. and around the world. However, while these laws were often developed with the best of intentions, they are more likely to result more in significant compliance costs and stifled innovation than improving consumer protection.

We share the goal of ensuring consumer's privacy and protecting sensitive PII; however, we are concerned with legislation that replicates the CCPA as that law is not settled; was poorly drafted to include numerous ambiguities, definitional, and operational issues; and has the unintended consequence of weakening consumer privacy and increasing security threats. For these reasons, we respectfully suggest that the Legislature not move forward with the bill but continue with a measured and thoughtful approach by studying the issues with the CCPA and its evolution and continue the dialogue with impacted stakeholders.

SB 1108 appears to generally track the CCPA, a law that was quickly drafted and enacted in less than a week to avert the certification of a parallel ballot initiative on privacy. The consequence of this process in California, which left no room for meaningful public dialogue and stakeholder input before its swift enactment, is a law that includes provisions which may undermine privacy and data security and makes implementation and compliance needlessly confusing and costly.

Furthermore, the CCPA is a work in progress and by no means a model to pass in Connecticut or any other state. CCPA will not take effect until January 2020, is in the process of being amended, and will be clarified in regulations promulgated by the California Attorney General. The date upon which enforcement can begin is not even set. The Attorney General may only begin enforcement six months after publication

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of the final rules issued pursuant to the Attorney General rulemaking or July 1, 2020, whichever is sooner. In short, we do not even know – and will not know for some time – what the CCPA will require once 2019 amendments and an Attorney General rulemaking are complete.

We are also concerned with the immense compliance burden for companies without necessarily improving consumer protection. For example, large U.S. companies have spent approximately \$7.8 billion to comply with Europe’s privacy law¹, the General Data Privacy Regulation (GDPR), while some smaller companies have chosen to cut off EU access to their services rather than spend the money necessary to comply². Companies operating in California are now likely to spend millions of dollars – with some estimate suggesting over half will spend at least \$1 million³ - on compliance costs. While there is some overlap, compliance with GDPR does not mean a company is compliant with CCPA. It should be noted that SB 1108 is different enough from CCPA – even before CCPA is likely amended or final rules produced - such that businesses would not be able to simply leverage the functionality built for California and apply it to operations involving Connecticut consumers. If SB1108 were enacted, we are concerned that some companies may be put in the difficult position to choose between compliance and ceasing operations in Connecticut, particularly if they’re already dedicating resources to protecting data and user privacy. And for those continuing to operate in Connecticut, resources will need to be invested strictly in compliance, rather than growing the business and adding new jobs.

Thank you for your thoughtful consideration of our concerns. The hugely complex and technical set of issues in California’s privacy law, the basis for SB 1108, need to be studied and refined far more precisely. It is for these reasons that we urge the Legislature to not move forward with the bill at this time but to carefully consider if additional privacy requirements are needed.

About CompTIA

The Computing Technology Industry Association (CompTIA) is a leading voice and advocate for the \$1.5 trillion U.S. information technology ecosystem and the 11.5 million technology and business professionals who design, implement, manage, market, and safeguard the technology that powers the U.S. economy. Through education, training, certifications, advocacy, philanthropy, and market research,

¹ Oliver Smith, The GDPR Racket: Who’s Making Money From This \$9bn Business Shakedown, Forbes, May 2, 2018, available at <https://www.forbes.com/sites/oliversmith/2018/05/02/the-gdpr-racket-whos-making-money-fromthis-9bn-business-shakedown/#6c03c1e234a2>.

² Nate Lanxon, Blocking 500 Million Users Is Easier Than Complying With Europe’s New Rules, Forbes, May 25, 2018, available at <https://www.bloomberg.com/news/articles/2018-05-25/blocking-500-million-users-is-easier-thancomplying-with-gdpr>.

³ <https://www.techrepublic.com/article/businesses-failing-to-meet-california-consumer-privacy-act-compliance-goals/>

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